

ILLINOIS POWER EXHIBIT NO. 2.3

Illinois Power Company
Schedule of Rates for Electric Service

WITNESS LEONARD M. JONES

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Ill. C. C. No. 31

Original Sheet No. 86.6

DATE 10-2-00 REPORTER CB

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MARKET VALUE INDEX

1. Applicability

This Rider is applicable to all Customers served under Rider PPO, Power Purchase Option, and to all Customers subject to Rider TC, Transition Charge. This Rider determines the market values utilized to determine the prices of electric power and energy for purposes of Rider PPO and utilized in Rider TC to calculate Transition Charges.

2. Market Value Energy Charges

Utility will determine a separate On-Peak Energy charge and an Off-Peak Energy charge for each month.

3. Definitions

As used in this Rider, the following terms shall have the meanings set forth below. All other capitalized terms used in this Rider shall have the meanings set forth in Utility's Service Classification 110, in Utility's Standard Terms and Conditions, and in Utility's Rules, Regulations and Conditions Applying to Electric Service.

Basis Adjustment means the average of the quotient resulting from the division of the values for the daily On Peak Lower MAIN Energy Price by the values for the daily On Peak Into Cinergy Energy Price for each of the 12 monthly contracts. Such calculation shall be performed annually using data from December 1st of the prior year through November 30th of the current year. ~~Such adjustment is calculated after removal of any daily quotient which is more than four standard deviations (plus or minus) from the average of the quotient resulting from the division of such values for each month of the 12-month period.~~ The resulting Basis Adjustment shall be made available no later than the eighth Business Day of December 15th of each year.

Cinergy Contract means the Into Cinergy contract as referenced or reported in the indexes included in Appendix 1.

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3. Definitions (Continued)

Firm Energy means electric power and energy priced on a cents per kWh basis that is not subject to curtailment by Utility except to the extent Customers served on Utility's Bundled Service Classifications (excluding Service Classifications 30 and 35, Rider S and the interruptible portion of any Contract Rate) are similarly curtailed.

Into Cinergy Energy Price means the daily price for electric power and energy sold for delivery into the Cinergy transmission system, as set forth in the data source(s) listed in Appendix 1.

Lower MAIN Energy Price means the daily price for electric power and energy sold for delivery into the region served by Ameren-CIPS, Ameren-UE, Central Illinois Light Company, Illinois Municipal Electric Agency, Illinois Power Company, Southern Illinois Power Cooperative, and Springfield City Water Light and Power, as set forth in the data source(s) listed in Appendix 1.

NonFirm Energy means electric energy priced on a cents per kWh basis with no component in such price for the value of electric power.

North American Electric Reliability Council ("NERC") Holiday means New Year's Day, Memorial Day (observed), Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

On Peak means the hours beginning at 6:00 A.M. Central Prevailing Time and ending at 10:00 PM Central Prevailing Time for the days Monday through Friday, excluding NERC Holidays.

Off Peak means all hours that are not On Peak, including NERC Holidays.

PJM means the PJM Interconnection, L.L.C., historically known as the Pennsylvania - New Jersey - Maryland Power Pool.

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4. Determination of Market Values

(a) On Peak Market Values

(1) Firm Energy

A monthly Forward Market Price (FMP_{mo}) in \$ per megawatt-hour (\$/MWh) will be determined from the daily market data of forward contracts for electric power and energy delivered in the Into Cinergy Hub from 6:00 a.m. to 10:00 p.m. Monday through Friday exclusive of the NERC Holidays. A separate FMP_{mo} will be determined for each relevant calendar month in the respective Annual Period.

Utility will use the electronic exchanges listed in Appendix 1 as the source of the daily market data. The daily market data will be polled twice daily by Utility to obtain a representation of the market for each of the forward contracts necessary for the respective Annual Period. The daily market data will be polled on each of the last five (5) consecutive Business Days of the 2nd prior month and the first five (5) consecutive Business Days of the prior month for the Annual Period.

The FMP_{mo} will be determined from the daily market data in the following manner.

Separately, for each electronic exchange and published report, and each forward contract, and each Business Day, a Daily Value will be selected from the morning and afternoon market data using the following hierarchy on an as available basis:

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4. Determination of Market Values (Continued)

(a) On Peak Market Values (Continued)

(1) Firm Energy (Continued)

Actual trade data will be used whenever it is available for a given forward contract. Where multiple trades are reported in various sources or on various days, those values will be averaged (and, to the extent possible, weighted averaged by volume) to create a single market value for that particular forward contract. Only where no actual trade data is available from any of the sources listed in Appendix 1 On Peak Data Sources for any of the 10 Business Days will bid-offer data be used (with such data also averaged over all days for which it exists).

For each electronic exchange, Utility will poll morning data between 8:30 a.m. and 10:30 a.m. Central Prevailing Time (CPT) and afternoon market data between 2:00 p.m. and 4:00 p.m. CPT. For published reports, Utility will use the values as published.

The market value calculated for each forward contract will then be multiplied by the Basis Adjustment factor for the month of the contract. This adjusted market value will then be assigned as the FMP_{mo} for the month to which the forward contract relates.

(2) NonFirm Energy

The market value for On Peak Non Firm Energy for each month shall be equal to the market value for On Peak Firm Energy for each month divided by 1.15.

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4. Determination of Market Values (Continued)

(b) Off Peak Market Values

A monthly Off Peak Market Price ($OPMP_{mo}$) in \$/MWh will be determined from the historical daily weekday off-peak (DWOP) transaction data of the day-ahead market for the delivery of electric power and energy for the region most closely related to Utility's service territory for the periods from 12:00 a.m. to 6:00 a.m. and from 10:00 p.m. to 12:00 a.m. Monday through Friday, exclusive of the NERC Holidays. The daily transaction data for the calendar year prior to the year in which the prices are being calculated will be used in determining the $OPMP_{mo}$. A separate $OPMP_{mo}$ will be determined for each relevant calendar month in the respective Annual Period.

The DWOP shall be determined by the published daily weighted average, or in the absence of such data, by averaging the midpoints of the daily trading ranges of all Business Days of daily transaction data that relates to the respective month.

The components of the Off Peak calculation shall be the hourly weighted average of (1) the DWOP value referred to above, obtained from the daily transaction data published in the reports listed in Appendix 1, and (2) a calculated value for the 48-hour weekend period (WEP). The WEP value shall be the product of the average DWOP value and the appropriate seasonal correlation factor (SCF).

The SCF shall be the simple average of all PJM West Hub prices, by season, for the period 12:00 am Saturday through 12:00 midnight Sunday (PJMWE), divided by the simple average of all PJM West Hub prices, by season, for the periods 12:00 am to 6:00 am and 10:00 pm to 12:00 am Monday through Friday (PJMOP). The seasons shall be defined as Summer (June – September) and Non-Summer (all other months).

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4. Determination of Market Values (Continued)

(b) Off Peak Market Values (Continued)

The calculation of $OPMP_{mo}$ for any Annual Period shall, therefore, be:

$$WEP = PJMWE/PJMOP \times DWOP$$

$$OPMP_{mp} = \frac{(DWOP \times \# \text{ of DWOP hours in a given month}) + (WEP \times \# \text{ WEP hours in a given month})}{\text{Total number of Off Peak hours in a given month}}$$

- (c) On or before the ~~fifteenth~~fourteenth Business ~~d~~Day of each month, Utility shall determine, shall report on information sheets to this Rider filed with the Commission, and shall post on Utility's website, market values for energy for the On Peak and Off Peak periods for each relevant calendar month beginning with the next calendar month following such ~~fifteenth~~fourteenth Business ~~d~~Day for the respective Annual Period. ~~If the fifteenth~~fourteenth Business ~~d~~Day of the month falls on a Saturday, Sunday or holiday, such market values shall be made available on the next following Business Day.

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APPENDIX 1 – SOURCES OF DAILY MARKET DATA

On Peak Data Sources

Electronic Exchanges:

Altrade TM
Bloomberg PowerMatch

Published Reports:

Power Markets Week

Off Peak Data Sources

Published Reports:

McGraw Hill DRI
Platt's

Basis Data Source

McGraw Hill DRI

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